

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-02

NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03 SP-02 SS-15

STR-04 TRSE-00 FRB-03 FEA-01 PA-01 USIA-06 PRS-01

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P 252235Z APR 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 6264

INFO AMCONSUL CALGARY

AMCONSUL TORONTO

AMCONSUL VANCOUVER

C O N F I D E N T I A L OTTAWA 1537

E.O.QQYTW: GDS

TAGS:ENRG, CA

SUBJECT: CANADIAN NATURAL GAS EXPORT PRICE INCREASE

REF: OTTAWA 1516

1. TORONTO STAR OF APRIL 25 PROMINENTLY FRONT PAGES
NEW REPORT TITLED "OTTAWA REJECTS U.S. PROTESTS
OVER GAS PRICE" AND REPORTS THAT ENERGY MINISTER
MACDONALD HOPES TO HAVE DECISION BY WEDNESDAY
(APRIL 30); THAT ONE OFFICIAL TOLD THE STAR THAT
"WE CAN'T HEAR THEIR (U.S.) CASE ON TUESDAY AND
ANNOUNCE AN INCREASE TWO DAYS LATER ...IT WOULD
LOOK LIKE WE NEVER LISTENED TO THEM"; AND THAT
MACDONALD HINTED A SPLIT IN THE CABINET BY SAYING
"NOT ALL OF MY COLLEAGUES HAVE THE SAME PERSPECTIVE."

2. IN RESPONSE TO ECON COUNSELOR'S REQUEST FOR
COMMENT ON ARTICLE, EMR ADM HOPPER SAID CATEGORICALLY
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THAT STATEMENTS IN ARTICLE ATTRIBUTED TO OFFICIAL

SOURCES ARE EITHER FABRICATION OR ONE MAN'S OPINION
BUT ARE NOT REPEAT NOT VIEWS OF GOVERNMENT.
SPECIFICALLY, HE SAID, THEY DO NOT REPRESENT VIEWS
OF EMR MINISTER MACDONALD, EXTERNAL AFFAIRS OR SEVERAL
OTHER MINISTRIES HOPPER SAID CABINET HAS SPENT
A LOT OF TIME ON GAS PRICE ISSUE. U.S. POSITION
ESPECIALLY RE IMPACT OF SUDDEN INCREASE ON CONSUMERS
AND QUESTION OF RELATIONSHIP BETWEEN EXPORT AND DOMESTIC
PRICES HAS RECEIVED MUCH ATTENTION. THERE ARE
SUBSTANTIALLY DIFFERING VIEWS WITHIN GOVERNMENT ON
HOW TO DEAL WITH PROBLEM. ISSUE HAS NOT REPEAT NOT
YET BEEN RESOLVED AND NO ONE KNOWS WHEN IT WILL BE.
HE PERSONALLY DOUBTED THAT A DECISION WOULD BE MADE
BY NEXT WEDNESDAY.

3. SUBSEQUENTLY MISS MCDUGALL (EXTAFF, DIRECTOR
GENERAL, ECONOMIC AND SCIENTIFIC AFFAIRS) CONFIRMED
HOPPER'S STATEMENTS. NO DECISION HAS BEEN MADE, SHE
SAID. U.S. REPRESENTATIONS "HAVE MADE AN IMPRESSION"
AND ARE BEING CONSIDERED SERIOUSLY. IT IS NOT REPEAT
NOT A QUESTION OF "OPTICS" AS SOME OF TODAY'S PRESS
ARTICLES SUGGEST. MISS MCDUGALL SAID SHE WISHED
SHE WERE IN POSITION TO BE MORE FORTHCOMING REGARDING
RESULTS OF GOC DELIBERATIONS BUT AT THIS STAGE NO ONE
KNOWS WHAT WILL BE DECIDED OR WHEN.
JOHNSON

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